



The President's Daily Brief

12 March 1970

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FOR THE PRESIDENT ONLY

THE PRESIDENT'S DAILY BRIEF

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PRINCIPAL DEVELOPMENTS

Prince Sihanouk has cut short his sojourn abroad following the anti-Vietnamese demonstrations in Phnom Penh. (Page 1)

The North Vietnamese

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(Page 2)

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We have nothing to confirm press rumors of a challenge to the leadership of Brezhnev and Kosygin, although they doubtless must come in for their share of the blame for the economic ills that have been troubling the regime. (Page 3)

An important policy statement by Australian Defense Minister Fraser is assessed on Page 4.

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The Panamanians

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(Page 6)

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CAMBODIA

Prince Sihanouk is returning to Cambodia, presumably to reassert his authority in the wake of the anti-Vietnamese demonstrations in Phnom Penh. In announcing his decision to cut short his sojourn abroad, Sihanouk said he will call for a referendum asking the people and the army to choose between himself and "those personalities" who organized the attacks on the Vietnamese Communist embassies. He threatened to step down if he lost the referendum.

Sihanouk has used such threats before to quiet domestic criticism, but the decision to come home is a clear sign he interprets recent events as a strong challenge to his authority. The Prince and his cabinet have seemed to be working at cross purposes for some time. The anti-Vietnamese demonstrations, however, represent the first overt attempt on the government's part to undermine Sihanouk's foreign policy. Although Sihanouk has criticized Vietnamese Communist activities in Cambodia, he has taken some care not to push the Communists too far.

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VIETNAM

The Communists continue the high priority shipment of supplies through the Laos panhandle.

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We still are inclined to believe that the Communists' main purpose is to replenish stockpiles, drawn down because of last summer's very limited shipments through the panhandle and because of Cambodia's embargo on supplies for Communist forces in South Vietnam. We would expect the Communists to get as much down to South Vietnam as they can before the heavy summer rains begin.

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SOVIET UNION

Reuters Vienna cites rumors out of Belgrade and Prague that Brezhnev and Kosygin have been accused by three Politburo colleagues--Suslov, Shelepin, and Mazurov--of failing to meet Russian economic needs in several key sectors. The accusation is said to be embodied in a document the three have circulated for discussion at a forthcoming central committee meeting.

We have no evidence to confirm or deny this story. There has clearly been no coup within the top leadership. Brezhnev still seems to be exercising the authority of General Secretary, although he has made few public appearances of late. At his most recent appearance on 4 March, he gave every indication of being in command. Kosygin has also been attending public functions and Suslov has apparently been on vacation since mid-February.

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While some of the details of this report present a rather unlikely scenario, there have been more than the usual signs of political tensions in the Kremlin recently. Recriminations over economic shortcomings appear to be on the rise and critical policy debates within the leadership are quite possible.

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AUSTRALIA

Defense Minister Malcolm Fraser, in a policy speech to parliament Tuesday, reconfirmed and broadened Australia's commitment to regional defense. Stressing Australia's responsibility and self-reliance, Fraser said that, within the limits of its resources, Australian military capability must be prepared both for direct defense of Australia and for deployment in Southeast Asia and the Indian Ocean.

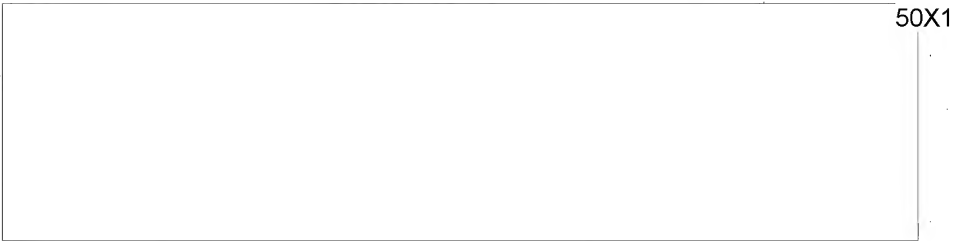
Fraser described British withdrawal as "irreversible" and expressed understanding and acceptance of the Nixon doctrine.

He said Australia would strive for compatibility of weapons and equipment with the US and New Zealand.

This is the most comprehensive defense policy statement the government has offered in recent years. In addition to the changing international scene, there are good domestic political reasons for the government to have taken the stand it has on defense policy. It faces elections later this year in the Senate where its majority depends on the small but strongly anti-Communist Democratic Labor Party, which has been advocating greater defense preparedness independent of the American alliance. Moreover, defense policy seems to be the one issue on which the government, with Democratic Labor support, may still be able to defeat the rejuvenated opposition Labor Party.

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EGYPT-ISRAEL



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NOTES

Panama: General Torrijos is pressuring the US to obtain the extradition of Hildebrando Nicosia-- top aide of deposed president Arias. Nicosia sought asylum in the Canal Zone on 28 February after unsuccessfully trying to organize a coup on behalf of Arias.

[redacted] Torrijos purports to regard failure to extradite Nicosia as confirmation of his suspicion of US complicity in the plot.

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Guatemala: [redacted]

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Cyprus: [redacted]

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(continued)

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Italy: Former premier Aldo Moro has told President Saragat that he has decided not to try forming a new government, and it now appears that Saragat will turn to another former premier, Amintore Fanfani. Fanfani would presumably try to form an all Christian Democratic government. His decision whether to accept such a mandate will probably be heavily influenced by his assessment of what effect this would have on his chances for the presidency next year.

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